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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/964,973

09/27/2001

Jeffery O. Burrell

60027.0050US01

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05/31/2006

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EXAMINER

O'CONNOR, GERALD J

ART UNIT

PAPER NUMBER

3627

DATE MAILED: 05/31/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/964,973

Applicant(s)

Burrell et al.

Examiner

O'Connor

Art Unit

3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE THREE MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on Nov. 16, 2005 (RCE w/Amdt) and March 13, 2006 (Election).
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-17, 21, and 22 is/are pending in the application.
- 4a) Of the above claim(s) 1-10 and 21 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 11-17 and 22 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>20050906 and 20060112</u> | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on November 16, 2005 has been entered.

### ***Preliminary Remarks***

2. This Office action responds to the amendment and arguments filed by applicant on November 16, 2005 in reply to the previous Office action on the merits, mailed July 13, 2005, and to the election filed by applicant on March 13, 2006 in reply to the Office action setting forth a requirement for restriction, mailed January 19, 2006.

3. The amendment of claims 1, 2, 4-11, 13, 14, 16, and 17, the cancellation of claims 18-20, and the addition of claims 21 and 22, in the reply filed by applicant on November 16, 2005, are all hereby acknowledged.

***Election/Restriction***

4. Applicant's election with traverse of Invention II (Claims 11-17 and 22) in the reply filed March 13, 2006 is hereby acknowledged. The traversal is on the ground(s) that the two inventions "are so closely related to each other," that search and examination of all inventions "would not be a serious burden for the Examiner."

5. Applicant's arguments have been fully considered but are not found persuasive.

6. Regarding the argument that the inventions are closely related, the inventions are not that closely related, since one invention, Invention II (claims 11-17 and 22), uses a computer to perform all functionality, whereas the other invention, Invention I (claims 1-10 and 21), allows most, if not all, steps to be performed manually by a human being (notwithstanding the styling of the claims in the preamble as being "computer implemented"), hence their differing classifications appropriately indicative of their disparate subject matter.

7. Regarding "serious burden" MPEP § 803 states, in part, under "Guidelines":

A serious burden on the examiner may be *prima facie* shown if the examiner shows by appropriate explanation either separate classification, separate status in the art, or a different field of search as defined in MPEP § 808.02. That *prima facie* showing may be rebutted by appropriate showings or evidence by the applicant.

8. As the examiner has indeed made such a *prima facie* showing of serious burden, based upon separate classification, as set forth in the requirement for restriction (Office action mailed January 19, 2006), and as applicant has offered no "showing or evidence" in rebuttal to that

conclusion, simply an opinion stating a contrary position, applicant's arguments have been dismissed as merely spurious, amounting to simply a general allegation that a serious burden would not be imposed, without specifically pointing out how or why the language of the claims fails to comport with the explanation of separate classification provided by the examiner.

9. The restriction requirement is still deemed proper and is therefore made FINAL.
10. Claims 1-10 and 21 are hereby withdrawn from further consideration pursuant to 37 CFR § 1.142(b), as being drawn to a non-elected invention, there being no allowable generic or linking claim. Applicant timely traversed the restriction requirement in the reply filed March 13, 2006

***Claim Rejections - 35 USC § 101***

11. The following is a quotation of 35 U.S.C. 101:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

12. Claims 11-17 and 22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 11-17 and 22 are drawn merely to the production and/or manipulation of non-functional descriptive material, effecting no "useful, concrete, and tangible result." It has been held that such claims, even if the non-functional descriptive material is claimed in combination with a computer-readable medium, are considered to comprise non-statutory subject matter, for merely manipulating an abstract idea. *In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994).

***Claim Rejections - 35 USC § 103***

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 11-17 and 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over the admitted prior art, as described in the background section of the specification on pages 1 and 2.

Regarding claims 11 and 14, the admitted prior art includes all of the elements of claims 11 and 14 except that the admitted prior art does not include making substitutions of inventory for interchangeable parts to offset a surplus of one with a shortage of another, based on a substitution table to indicate interchangeability of parts, and the admitted prior art does not include any of the functionality being performed by a processing device, as opposed to being performed manually, by a human being.

However, storing a list of interchangeable parts in a table and making substitutions of interchangeable parts to offset a shortage of one with a surplus of another is a well known, hence obvious, technique to employ in performing an accounting of inventory, and official notice to that effect is hereby taken. For example, if 60 Energizer AA batteries and 40 Duracell AA batteries are later determined to instead be 60 Duracells and 40 Energizers, there are still 100 AA batteries. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of

the invention, to have modified the method of the admitted prior art so as to provide a substitution table of interchangeable parts and make substitutions of interchangeable parts to offset a shortage of one with a surplus of another, as is well known to do, in order to minimize the amount of adjustments being made to correct the inventory, thereby improving the accuracy, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results, and, to utilize a processing device to implement/perform the functionality, since the underlying method steps/functions to be performed by the apparatus are themselves all either previously known or else considered obvious, and because it has been held that broadly providing a mechanical or automatic means to replace manual activity which would accomplish the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

Regarding claims 12, 13, 16, 17, and 22, the admitted prior art includes all of the additionally recited elements except for the steps of removing outlier values from the data; averaging the remaining data values; and, using the calculated average as the adjustment amount when the current inventory data needs to be updated/adjusted/corrected due to a discrepancy in the count of items, as determined by an updated inventory assessment, rather than simply using the oldest/earliest value and using that value without regard as to whether or not the value was obviously erroneous. However, FIFO, LIFO, average, and weighted average are four well known, hence obvious, techniques to use in the valuation of inventory, and official notice to that effect is hereby taken. Furthermore, excluding obviously erroneous, mis-keyed data to improve

the accuracy of results when averaging data is also a well known, hence obvious, technique to use when calculating a statistical average, and official notice to that effect is also hereby taken.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have modified the method described in the admitted prior art, so as to periodically perform necessary corrections/adjustments/updates to inventory based on inventory valuation calculated on an average basis, rather than a FIFO basis, as is well known to do, and to exclude clearly erroneous, mis-keyed data when calculating the average, as is also well-known to do, in order to produce an accounting of inventory that would be as accurate as possible, and since so-doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Regarding claim 15, generating a report to indicate changes made to a database record such as an inventory database (i.e., an edit/change log) is well known, hence obvious, to those of ordinary skill in the art. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the processing device discussed above with respect to claim 11, so as to have included the provision of an edit/change log report, in order to have a record of changes made to the database in case any of the changes needed to be backed out (i.e., undone), since so doing could be performed by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.



***Response to Arguments***

15. Applicant's arguments filed Nov. 16, 2005 have been fully considered but are not persuasive.

16. Regarding applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

17. To the extent that applicant is arguing that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

18. To the extent that applicant is arguing that a rejection cannot be "based on Applicant's disclosure," note that a rejection cannot be based on applicant's disclosure of *what is applicant's invention*, but a rejection can indeed be based on applicant's disclosure of *what is prior art*. See MPEP § 2129(II).

19. Regarding the argument that the mere assertion of what would have been obvious to one of ordinary skill in the art does not support a prima facie obvious rejection, such an assertion can indeed support such a rejection, as “the rationale supporting an obviousness rejection may be based on common knowledge in the art or ‘well-known’ prior art.” See MPEP § 2144.03.

To properly traverse such an assertion, which applicant has thus far failed to do, “applicant *must* specifically point out the supposed errors in the examiner’s action, which would include stating *why* the noticed fact is *not* considered to be common knowledge or well-known *in the art*. See 37 CFR 1.111(b).” (all emphasis added). See MPEP § 2144.03(C).

Furthermore, as applicant has (now and previously) failed to *seasonably* provide any *proper* traverse to the examiner’s stated positions as to what is well known prior art, and, as *any further traverse* (proper or not) *is no longer considered seasonable*, the objects of the well known statements have all therefore been previously deemed and considered *to be admitted prior art*. See § 10 of the previous Office action on the merits, mailed July 13, 2005. Also see MPEP § 2144.03(C), last paragraph.

***Conclusion***

20. The prior art made of record and not relied upon is considered pertinent to the disclosure.

21. Any inquiry concerning this communication, or earlier communications, should be directed to the examiner, **Jerry O'Connor**, whose telephone number is **(571) 272-6787**, and whose facsimile number is **(571) 273-6787**.

The examiner can normally be reached weekdays from 9:30 to 6:00.

If attempts to reach the examiner are unsuccessful, the examiner's supervisor, Mr. Alexander Kalinowski, can be reached at **(571) 272-6771**.

Official replies to this Office action may be submitted by any *one* of fax, mail, or hand delivery. **Faxed replies are preferred and should be directed to (571) 273-8300**. Mailed replies should be addressed to "Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450." Hand delivered replies should be delivered to the "Customer Service Window, Randolph Building, 401 Dulany Street, Alexandria, VA 22314."

GJOC

May 26, 2006

 5/26/06

Gerald J. O'Connor  
Primary Examiner  
Group Art Unit 3627